ASX Code: MOU
29 August 2012

Appointment of New Managing Director

The Board of Modun Resources Ltd (ASX: MOU) is pleased to announce the appointment of Mr Rick Dalton as Modun's new Managing Director.

Mr Dalton is an experienced coal mining engineer with an extensive background in mine planning, strategy, operations and logistics at large scale open cut coal mines. During his career he has also been responsible for leading numerous feasibility studies on expansion and development of new coal mining projects. His background and skills are an ideal fit for Modun as it moves into its next phase of development.

Mr Dalton is a graduate (Mining Engineering Degree BSc Honours) from Nottingham University and has over 25 years experience in the mining industry. Mr Dalton is currently a senior manager with Yancoal Premier Coal in Western Australia where he is responsible for the co-ordination of the mine planning and engineering activities associated with the Collie Leases operations. He was recruited to the operation by Wesfarmers Premier Coal to assist with the sale of the assets from Wesfarmers to Yancoal and during this process was also a key technical representative in discussions with various bidders and banks.

His prior experience also includes:

- Chief Mining Engineer and Manager, Strategic Planning, Griffin Coal (4 mtpa Collie Thermal Coal Mine, WA)
- Mine Planning Engineer, BHP Coal (8 mtpa Peak Downs Coking Coal Mine, Qld)
- Principal Mining Engineer, CSA Global (overseeing clients in Australia, Africa, Indonesia and Mongolia)

"I am excited by the opportunity to join Modun at a key point in its evolution" said Mr Dalton
"My experience with the Collie coal mine operations should be a strong fit with what Modun is now seeking to do as it develops its Nuurst thermal coal project in Mongolia. The combination of a significant thermal coal project, well located just 6 kilometres from existing rail infrastructure connected across the border to the growing Chinese market represents a compelling opportunity."

ABN: 95 066 139 991

Modun Resources Limited
Suite 7, 245 Churchill Avenue, Subiaco WA 6008, Australia
PO Box 1557, Subiaco WA 6904, Australia
Tel. +61 8 6143 9108 | Fax. +61 8 9388 3006
Email. info@modunresources.com

Modun Resources LLC
4th floor, Room 403 of the Ambassador Office Building
Sukhbaatar District, 1st Khoroo,
Enkhtaivan Ave 15A/5, Ulaanbaatar, Mongolia
Email. info@modunresources.com

www.modunresources.com

The key terms of Mr Dalton's employment agreement include:

- A salary of $290,000 including superannuation
- Subject to shareholder approval, the granting of options over ordinary shares of the Company as follows:
    - 10,000,000 options at an exercise price of $0.04 expiring 31/12/15
    - 10,000,000 options at an exercise price of $0.06 expiring 31/12/15
    - 10,000,000 options at an exercise price of $0.10 expiring 31/12/15
    - The expiry date of the options is valid whilst Mr Dalton remains employed by the Company. Upon termination of Mr Dalton's employment, these options must be exercised within 3 months of the date of termination.
- Termination by either party with 3 months written notice

Mr Dalton is expected to commence work in October.

The current managing director, Mr Chris Mardon, has resigned and will assist through an orderly transition period during which time he will finalise the lodgement of the application to register the Nuurst thermal coal deposit which is a precursor to the granting of a mining licence. The resource registration documentation is expected to be lodged in September 2012. The Board would like to thank Mr Mardon for his past service, in particular for his efforts in overseeing the development of the maiden JORC resource at the Nuurst project.

Strong Cash Position, JORC Reportable Coal Resource

Modun remains in a strong financial position with total cash reserves of $2.9 million to complement its JORC Reported Coal Resource at Nuurst of 489 million Tonnes (417 million tonnes Indicated, 72 million tonnes Inferred) which continues to progress towards obtaining a mining license.

---ENDS---

For further information, please contact:

Hugh Warner
Chairman
Modun Resources Ltd
Ph: +61 413 621 652
www.modunresources.com

About Modun Resources Limited

ASX-listed Modun Resources (ASX: MOU) is developing the 100%-owned Nuurst Coal Project in central Mongolia. Nuurst is a thermal coal project, which encompasses a 34.5 square kilometre licence area. In late 2011, Modun announced a maiden 489 million tonne JORC reported Coal Resource at Nuurst (417 million tonnes Indicated, 72 million tonnes Inferred). The Nuurst Coal Project is located 120 kilometres south of Mongolia's capital Ulaanbaatar, 600kms north of the Chinese border and six kilometres from existing rail infrastructure.

Competent Person Statement

The information in this announcement that relates to the Nuurst Coal Resource is based on information compiled by Mr Dwiyoko TU. Taruno of CSA Global Pty Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Dwiyoko TU. Taruno has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Dwiyoko TU. Taruno consents to the inclusion of such information in this report in the form and context in which it appears.